



***Program Compliance Office
Cal Grant/Specialized Program Review Report***

2000-01 Award Year

**CSU-San Diego State University
Program Review ID#80200115100**

**5500 Campanile Drive
San Diego, CA 92182-0585**

Program Review Dates: November 12 - 15, 2002

Auditor: Nati DeGroot
(916) 526-6413

Report Approved by: Charles Wood, Manager
Program Compliance Office
(916) 526-8912

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AUDITOR'S REPORT

SUMMARY We reviewed San Diego State University's administration of California Student Aid Commission (Commission) programs for the 2000-01 award year.

The institution's records disclosed the following deficiencies:

- Renewal Cal Grant Unmet Need Reported Incorrectly

BACKGROUND Through institution compliance reviews, the administration of Commission programs is evaluated to ensure program integrity with applicable laws, policies, contracts and institutional agreements as they pertain to the following grant programs administered by the Commission:

Cal Grants	A, B and T
Specialized Programs	Child Development Teacher Grant Program (CDTGP) and Graduate Fellowship

The following information, obtained from the institution and Commission database, is provided as background on the institution:

A. Institution

- | | |
|-------------------------|-------------------------------------------|
| • Type of Organization: | Public Institution of Higher Education |
| • Chancellor: | Dr. Stephen L. Weber |
| • Accrediting Body: | Western Association of Schools & Colleges |
| • Size of Student Body: | 34,000 |

B. Institutional Persons Contacted

- | | |
|----------------------|-------------------------------------|
| • Chris Collins: | Associate Director |
| • Deborah Quiett: | Manager, Student Financial Services |
| • Valerie J. Carter: | Business Information Management |
| • Rayanne Williams: | Associate Registrar |
| • Betty J. Rashada: | Imaging Services Coordinator |

C. Financial Aid

- | | |
|--------------------------------------------|-------------------------------------------------------------------------------------|
| • Date of Prior Commission Program Review: | March 1998 |
| • Branches: | Imperial Valley Campus, Calexico |
| • Financial Aid Programs: | Federal: Direct Loan Programs, Work Study, Pell, Perkins Loan, SEOG |
| | State: Cal Grants A, B, and T, Graduate Fellowship, Child Development Teacher Grant |
| • Financial Aid Consultant: | None |

AUDITOR'S REPORT (continued)

OBJECTIVES, SCOPE AND METHODOLOGY

The purpose of our review is to provide the Commission with assurance that the institution adequately administered the Commission programs and their compliance with applicable laws, policies, contracts and institutional agreements as they pertain to the grant programs administered by the Commission.

The review will focus on, but not be limited to, the following areas:

- A. General Eligibility
- B. Applicant Eligibility
- C. Fund Disbursement and Refunds
- D. Roster and Reports
- E. File Maintenance and Records Retention
- F. Fiscal Responsibility and Program Funds

The specific objectives of the review were to determine that:

- Administration systems have adequate controls to ensure that grant funds received by the institution are secure.
- Administration systems have adequate controls to ensure that grant payments are accurate, legal and proper.
- Accounting requirements are being followed.

The procedures performed in the conduct of this review include:

- Evaluate the current administrative procedures through interviews and reviews of student records, forms and procedures.
- Evaluate the current payment procedures through interviews and reviews of student records, forms and procedures.
- Review the records and grant payment transactions from a sample of 40 students who received a total of 24 Cal Grant A awards, 14 Cal Grant B awards, 1 Cal Grant T award, and 1 Graduate Fellowship award within the review period. The program review sample was randomly selected from the total population of 3,670 recipients.

This review was conducted in accordance with **Government Auditing Standards** issued by the Comptroller General of the United States. However, the procedures did not constitute a review of the institution's financial statements

The review scope was limited to planning and performing procedures to obtain reasonable assurance that Commission grant funds were administered according to the applicable laws, policies, contracts and institutional agreements. Accordingly, transactions were examined on a test basis to determine whether grant funds were expended in an eligible manner. The auditor considered the institution's management controls only to the extent necessary to plan the review.

AUDITOR'S REPORT (continued)

**OBJECTIVES,
SCOPE AND
METHODOLOGY
(continued)**

This report is written using the exception-reporting format, which excludes the positive aspects of the institution's administration of the California grant programs.

The names and social security numbers of the sample of students reviewed have been excluded from the body of this report and have been replaced by identifying numbers. Attachment A is a listing of the students by name, social security number and grant type.

CONCLUSION

In conclusion, except for the deficiencies cited in the Findings and Required Actions section of this report, the institution administrated the Commission grant programs in accordance with the applicable laws, policies, contracts and institutional agreements as they pertain to the Commissions grant programs.

**VIEWS OF
RESPONSIBLE
OFFICIALS**

The findings were discussed with agency representatives in an exit conference on November 15, 2002. The agency staff concurred with all findings.

November 15, 2002

Charles Wood, Manager
Program Compliance Office

FINDINGS AND REQUIRED ACTIONS

D. ROSTERS AND REPORTS:

FINDING: Renewal Cal Grant Unmet Need Reported Incorrectly

A review of 20 renewal Cal Grant student files revealed 5 cases in the institution reported an incorrect unmet need to the Commission.

For renewal students, schools must calculate a student's unmet need and report that figure to the Commission, retaining the supporting documentation within the student's file. Schools may use the Commission's annually established student expense budget or the school may adopt its own student budget for determining renewal financial eligibility provided the budgets do not exceed those used for campus-administered aid. The school must report the resulting new unmet need amount on the Grant roster or the Commission G-21 letter. Net unmet need is defined as a student's Cost of Attendance (COA) minus the Expected Family Contribution (EFC), minus Pell Grant.

A review of the files for renewal students listed in the table below revealed that San Diego State University erroneously calculated and reported the unmet need to the Commission. Furthermore, the institution was unable to reconstruct the reported unmet need from the documentation within the student's file.

Student No.	Incorrect Unmet Need reported
11	\$92,085
15	\$13,128
20	\$13,699
34	\$12,456
38	\$12,738

REFERENCES:

Higher Education Act, Part F – Need Analysis
Cal Grant Manual, Chapter 4, page 4-3
Cal Grant Manual, Chapter 5, pages 5-2, 5-8, 5-15 and 5-16

REQUIRED ACTION:

Although no liability resulted from the above finding, San Diego State University is required to submit quality control measures that will be implemented to ensure that the correct unmet need amount for renewal Cal Grant recipients is correctly calculated and reported to the Commission.

INSTITUTION RESPONSE:

I am writing in response to the draft report of the program compliance review conducted to assess San Diego State University's (SDSU) participation in the California Student Aid Commission's (CSAC) grant programs. Contained in the report, dated December 18, 2002, was one finding (Letter D, Rosters and Reports) that required corrective action. In the Commission's narrative that

FINDINGS AND REQUIRED ACTIONS (continued)

described the finding, it was explained that 20 renewal Cal Grant records were reviewed and 19 had an incorrect need figure reported. Please accept this letter and accompanying documentation, as evidence that only 5 of the 20 need cases reviewed should be considered incorrect. The 14 cases that are challenged here either had need figures reported by another entity or were previously identified to CSAC as being incorrect. When the errors were disclosed to a CSAC representative, we were not instructed to change the need figures. I have organized the cases by common characteristics and student numbers that were assigned by CSAC.

Student cases 9, 17, 22, 23, 26, 29, 36 and 39: The 2000-01 need figure was originally reported accurately, but was replaced (overlaid by our system) with 2001-02 need figures later in the year. SDSU identified the problem and contacted CSAC about the incorrect need figures. As indicated in the enclosed email response from CSAC representative, Anne Niehaus, we were not required to change the need figures to the correct, 2000-01 amounts. The attached documents include a screen print of the student record in question from our database system and detail the sequence of events.

As a result of the problem, our system has been modified to generate file headers and trailers from information (specifically the current aid year) stored in the Office of Financial Aid and Scholarship's database. Previously, these file headers and trailers had been manually created, increasing the possibility of human error. After files have been generated, they are manually reviewed to ensure the accuracy of reported information.

Student cases 18, 28, 31 and 35: These students attended another institution during the spring term and the incorrect need figures were not reported by SDSU.

Student cases 12 and 33: The incorrect need figures were not reported by SDSU.

AUDITOR REPLY:

The institution's action is deemed acceptable and the finding has been revised to show that 5 students had an incorrect need figure reported, no further action is required.

ATTACHMENT A - STUDENT SAMPLE
